


# EXHIBIT I

Montreal, February 17, 2017

**Without Prejudice  
Sent By Courier**

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Mr. Hiromichi Morimoto:

## **Letter of Demand – Solicitation of Key Bombardier Employees**

We are the attorneys for Bombardier Inc. (**Bombardier**) and have been instructed to send you this letter of demand in connection with Mitsubishi Aircraft Corporation's, or any of its parents, affiliates, subsidiaries, and predecessors, including Mitsubishi Heavy Industries, Ltd (hereinafter referred to collectively as **Mitsubishi**), continued, repeated and targeted solicitation of Bombardier's key employees.

It is our assertion that by targeting and soliciting key employees at Bombardier Mitsubishi is (i) knowingly destabilising Bombardier's aircraft activities which constitutes unfair competition and (ii) acquiring proprietary information belonging to Bombardier to accelerate the development and entry into service of the MRJ aircraft. In addition, Mitsubishi's behaviour falls far short of the standard of behaviour and basic principles of good faith to which close business partners are expected to conform.

### **Background**

Bombardier and Mitsubishi have an ongoing and longstanding business relationship. In the course of this relationship, Bombardier and Mitsubishi have entered into multiple procurements contracts for the detailed design, development, testing, qualification, manufacture, and supply and sale by Mitsubishi of major commercial and business aircraft components for certain of Bombardier's aircraft.

Starting in the fall of 2015 through to the spring of 2016, AeroTEC, Mitsubishi's subcontractor, hired directly or indirectly approximately twenty (20) employees from Bombardier to work on the MRJ program. Many of these employees were key Bombardier Flight Test Center employees who were either highly specialized engineers or test pilots. These employees possess unique knowledge of Bombardier's proprietary information. Therefore, it is clear that Mitsubishi, through its subcontractor, solicited these employees with the specific purpose of appropriating this knowledge to advance its MRJ program.

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In June 2016, Bombardier had cause to believe that employees who had been solicited and hired by AeroTEC were being transferred to Mitsubishi, or, at the very least, were working on the MRJ flight test program. On June 3, 2016, Mr. Christian Poupart, Vice President Legal Services and Contracts of Bombardier, reached out of Mr. Luke Walker, Managing Counsel of Mitsubishi, raising concern over the conduct of AeroTEC, Mitsubishi's subcontractor, in soliciting and recruiting a number of key employees from Bombardier's Flight Test Center and over the fact that these former Bombardier employees were now being transferred to Mitsubishi or working on the MRJ flight test program.

On or around July 9, 2016, Bombardier was made aware that a job fair was organized by Mitsubishi in Montreal to recruit aircraft system engineers for the MRJ program in Japan. There is no question that the primary targets of the Job Fair were Bombardier employees. Bombardier responded in a timely manner with a formal letter to Mr. Walker on July 14, 2016 asking that Mitsubishi refrain from engaging in any illegal activity that could cause Bombardier to suffer damages and reminding Mitsubishi of Bombardier's former employees' duty of loyalty and duty of confidentiality. Bombardier's good faith efforts to ensure that Mitsubishi complied with its legal duties went unanswered.

In an attempt to settle the matter amicably, on August 5, 2016, Mr. Alain Bellemare, President and Chief Executive Officer of Bombardier, sent a letter to Mr. Hideaki Omiya's, Chairman of the Board, attention informing him of the communication sent to Mr. Walker. In his letter, Mr. Bellemare expressed Bombardier's legitimate expectation that Mitsubishi would not inflict harm to Bombardier by engaging in a massive solicitation of its engineers. Once again, this correspondence was left unanswered.

On January 27, 2017, Mr. Bellemare sent Mr. Omiya another letter to address the continued active solicitation and hire of key employees of Bombardier. This correspondence also went unanswered, leaving Bombardier no choice but to take formal action.

Despite Bombardier's best efforts, and numerous attempts to settle the matter in a collaborative manner, Mitsubishi has continued its direct, aggressive and targeted solicitation of Bombardier employees, which amounts to unfair competition.

To our knowledge, at least two (2) recruitment agencies have been hired by Mitsubishi. Moreover, it has come to our attention that certain employees were contacted on multiple occasions. One such employee was contacted on three occasions and offered increasingly generous packages until he accepted an offer.

A former Bombardier employee now working for Mitsubishi has also been seen at a coffee shop on Bombardier's work premises meeting with an employee of Bombardier. That employee left shortly thereafter to work for Mitsubishi. This is one of multiple examples of the egregious ways Mitsubishi has been engaging in illegal solicitation of Bombardier employees.

It has also come to our attention that employees are notably being targeted for their expertise with respect to certification. A recent press release by Mitsubishi and subsequent press articles highlighted below unfortunately confirms such targeting and foreshadows that the solicitation of Bombardier employees will persist.

On January 23, 2017, Mitsubishi issued a press release in which it reported the announcement that the delivery of the MRJ would be, yet again, delayed until mid-2020. Mitsubishi attributed this change in delivery dates to "revisions of certain systems and electrical configurations on the aircraft to meet the latest requirements for certification".

An article published by the Financial Times on that same date titled *Mitsubishi forced to delay jet deliveries to middle of 2020* highlights Mr. Miyanaga's, chief executive of parent company Mitsubishi Heavy Industries, intention to "bring in foreign experts with experience of putting a regional aircraft through certification". The article also underlines that "[i]t became clear during a review last autumn that the MRJ would not win approval from safety regulators in its current form".

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A further article was published by Bloomberg on January 31, 2017 titled *Mitsubishi to Boost U.S. Engineers After Jet Delivery Delays* in which it is reported that Yugo Fukuhara, Vice President of Sales and Marketing, announced that the MRJ program would increase its staff "to more than 200 from about 150 at the engineering center". The article also notes that "development costs are likely to increase about 30 percent with the latest delay".

There can be no doubt that the aggressive and mass solicitation of Bombardier employees since last fall is directly related to Mitsubishi's challenges in meeting certification requirements and the possible commercial consequences of such setbacks.

Mass targeting by Mitsubishi of Bombardier's employees cannot be denied. Upwards of twenty-five (25) key Bombardier Product Development and Engineering employees have been hired directly or indirectly by Mitsubishi since the summer of 2015:

1. Shawn Kehoe, *Engineering Specialist* (Toronto), August 5, 2015
2. David Barrow, *Manager, Engineering* (Montreal), October 17, 2015
3. Marco Aurelio Espinosa Da Silva, *Principal Engineering Specialist* (Montreal), January 22, 2016
4. Daniel Kenji Nishimaru, *Engineering Specialist SR* (Montreal), February 9, 2016
5. Jose Carlos Senna, *Engineer 5* (Montreal), February 19, 2016
6. Alexander Bellamy, *Section Chief (acting manager), Engineering* (Mirabel), February 24, 2016
7. Brice Feneux, *Engineering Specialist* (Mirabel), February 26, 2016
8. Alvino Cesario Da Silva, *Engineer 4* (Montreal), March 25, 2016
9. Phillip Sheen, *Engineering Specialist Sr.* (Mirabel), July 15, 2016
10. Jasmin Ten Have, *Engineering Professional* (Montreal), August 19, 2016
11. Keith Ayre, *Engineering Specialist Principal* (Montreal), August 26, 2016
12. James Sykes, *Director, Engineering* (Montreal), September 21, 2016
13. Michael Kouzelis, *Engineering Specialist* (Montreal), September 23, 2016
14. Emerson Semionatto Scuro, *Engineering Specialist Sr.* (Mirabel), September 30, 2016
15. Wilfried Fié, *Engineering Specialist* (Montreal), September 30, 2016
16. Riaan Myburgh, *Section Chief, Engineering* (Toronto), October 14, 2016
17. Sylvia Bianchi, *Section Chief, Engineering* (Toronto), October 14, 2016
18. Mathieu Gallea, *Engineering Specialist* (Montreal), October 21, 2016
19. Gwenaëlle Gallea, *Engineering Professional* (Montreal), October 21, 2016
20. Weiguang Xu, *Engineering Specialist Sr.* (Mirabel), October 28, 2016

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21. Tariq Ahmad, *Engineering Specialist* (Montreal), November 9, 2016
22. Faisal Ahmad, *Section Chief, Engineering* (Montreal), December 23, 2016
23. Cedric Kho, *Engineering Specialist Sr.* (Montreal), December 23, 2016
24. Raymond Iskenderian, *Engineering Specialist* (Montreal), January 12, 2017
25. Alexandre Navratil, *Manager Engineering* (Montreal), January 27, 2017
26. Guillaume Beauchamp, *Manager Engineering* (Montreal), January 30, 2017

Despite Bombardier's good faith efforts, Mitsubishi continues to target and solicit key employees who possess confidential information essential to the development of the MRJ program and to meeting certification requirements. Such mass and targeted solicitation of Bombardier's employees in an attempt to destabilise and disrupt the internal affairs of a competitor, and obstruct their activities and aircraft development and launch, constitutes illegal and unfair competition towards Bombardier and engages Mitsubishi's liability and the liability of Bombardier's former employees towards Bombardier.

The sheer volume of employees targeted and hired is a strong indication of the seriousness of Mitsubishi's actions. These departures, within such a short timeframe may seriously destabilise and disrupt Bombardier's aircraft development programs. Given the critical stage of Bombardier's current flight test activities and their importance for Bombardier's future, of which you are aware, your concerted efforts to poach Bombardier's key employees are particularly egregious and put into question Mitsubishi's good faith.

The tactics employed by Mitsubishi to hire the employees are reprehensible. Mitsubishi's behaviour has gone far beyond what lawful competition would allow. Indeed, Mitsubishi took specific measures to target key Bombardier employees whom it knew possessed proprietary information which would both benefit Mitsubishi and harm Bombardier.

The employees targeted by Mitsubishi are highly skilled and specialized engineers and test pilots, many of whom held key positions during their employment at Bombardier. More importantly, the know-how and trade secrets acquired by these employees can hardly be acquired outside the context of the development of new aircraft programs. This information is both rare and extremely valuable. We have every reason to believe these employees are now assigned to the MRJ program, which raises important questions regarding the disclosure of proprietary information, especially in the wake of recent press highlighting Mitsubishi's difficulties and lack of expertise.

Finally, you are well aware of Bombardier's former employees' obligations towards Bombardier. You were expressly informed of such and cautioned by Bombardier against the breach of such, namely through M. Poupart's email and letter to L. Walker, respectively dated June 3, 2016 and July 14, 2016. Be advised that courts do not hesitate to hold responsible a new employer when the latter participates in or condones similar violations.

In light of the foregoing, Bombardier is highly concerned that absent immediate corrective action and the implementation of additional controls and recognition on your part, it will have no other option than to take more formal legal action to protect the company's legitimate business interests, employment relationships and the maintenance of its confidential, proprietary and trade secret information.

Therefore, we are hereby formally putting you on notice to immediately:

- Cease the solicitation, directly or indirectly, of our employees;

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- Cease any behaviour which constitutes unfair competition;
- Require all former employees of Bombardier to sign agreements undertaking not to solicit employees of Bombardier;
- Require all former employees of Bombardier to sign agreements undertaking not to divulge or use any confidential, proprietary or trade secret information of Bombardier for the purposes of the MJR program; and
- Take any and all necessary measures to ensure that the agreements are respected by former employees of Bombardier and inform Bombardier of such measures.

We further demand that you send us, **before February 28, 2017**, your written undertaking confirming that you intend to comply with the aforementioned obligations.

This formal notice is sent to you without prejudice to any of the rights, privileges and remedies that our client may have in relation to this matter.

If you have any questions regarding this matter, please contact Mtre. Marianne Plamondon at 514-847-6036.

**DO GOVERN YOURSELF ACCORDINGLY.**

*Norton Rose Fulbright Canada LLP*

MSP/ld

Copy to: Mr. Luke Walker, Managing Counsel